Schedule 10

Service Level Requirements

to

Request for Proposal
for the
Provision of IT Infrastructure Operations
and Managed Workplace Services
[UNHCR RFP/2018/1068]
(the “RFP”)

effective _____ 2018

between

The Office of the United
Nations High Commissioner
for Refugees

and Contractor

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1 Introduction

1.1. The objectives of Service Level Requirements are to document UNHCR requirements for the Services, define detailed Service Level Objectives (SLOs), the purpose of which is to ensure the Services are delivered to a consistently high standard.

UNHCR Service Level Objectives strive to meet the following criteria:

- Attainable;
- Repeatable;
- Measurable;
- Understandable;
- Meaningful;
- Controllable; and
- Affordable.

1.2. In executing upon these objectives, the Contractor is expected to deliver the Services as to meet or exceed the Service Level Requirements.

1.3. Unless the context otherwise requires, capitalized terms used but not defined in this Schedule 10 shall have the meaning given to them in Schedule 1 (Technical Definitions) or the Agreement.

2 Measuring, Monitoring, and Reporting

2.1. The Contractor shall provide, implement, maintain, and utilize all measurement and monitoring tools and procedures in order to ensure full reporting to UNHCR on the Contractor's performance of the Services against the applicable Service Levels. The Contractor's measurement and monitoring of Service Level performance shall permit reporting at a level of detail sufficient to permit UNHCR to verify compliance with the Service Levels. The Contractor shall provide UNHCR with information about and access to such procedures upon request for purposes of verification.

2.2. The Contractor shall provide SLA reports based on the reporting requirements and frequency specified in Schedule 10 Appendix B (Reports).

2.3. If a Report provided by the Contractor does not have the required detail and accuracy for UNHCR to determine whether the Contractor has met or failed to meet a Service Level, then UNHCR may provide written notice of the deficiencies (a "Report Default Notice"). Within ten (10) Business Days following receipt of a Report Default Notice, the Contractor shall deliver to UNHCR a revised SLA Report containing detail and accuracy for UNHCR to determine whether the Contractor has met or failed to meet a Service Level. The Contractor shall ensure that any recurrence of a deficiency in a SLA Report that has been subject to a Report Default Notice is avoided in the future.

2.4. The Contractor shall deliver an SLA Report at the end of each calendar year, in which it provides an overview of the Contractor's comparative average performance and trending against all Service Levels during all previous calendar and contract years.

3 Service Levels

3.1. The Parties acknowledge that the Service Levels, as set forth in Schedule 10 Appendix A (Service Level Tables), represent the level of service performance which Contractor shall meet or exceed.

3.2. Service Levels refers to the Critical Performance Indicators ("CPIs"), the Key Performance Indicators ("KPIs"), and the General Performance Indicators ("GPI") described in Annex A to this Schedule 10.

3.3. The following chart sets forth a summary of the consequences of a Service Failure:

Type	Service Credits Upon Service Failure	Escalation to a Contracting Officer Upon Service Failure	Reporting Purposes Only
CPI	☐	☐	☐
KPI		☐	☐
GPI			☐

3.4. All CPI and KPI Service Levels shall be quantifiable, measurable, and objective; and have a Service Level Objective.

4 Exceptions

4.1. Service Credits shall apply to CPI Service Failures. If the primary cause of failure to achieve a CPI Service Level was due to a defined Exception, then Service Credits shall not apply.

4.2. For purposes of this Schedule 10, the term "Exceptions" refers to:

(a) scheduled outages, including planned upgrade and test events;

(b) outages related to program Errors or root cause related to out-of-scope Software (database, middleware, or application Software);

(c) hardware outage durations related toUNHCR-provided equipment service contracts;

(d) outages related to UNHCR-provided networks, UNHCR-provided VPN connections, or UNHCR-provided ISP connections;

(e) outages related to UNHCR-provided facility power and cooling;

(f) outages related to administrative or "super user" commands performed by UNHCR representatives or UNHCR Third-Party contractors;

(g) events of Force Majeure under the Agreement;

(h) incidents resulting from non-supported (manufacturer end of support) components, except that Contractor shall remain responsible for support of such components but only to the level of commercially reasonable efforts;

(i) incidents caused by the actions or inactions of UNHCR personnel or a UNHCR Third-Party for which the Contractor is not responsible;

(j) changes to the environment by UNHCR or UNHCR Third Parties which were not communicated in accordance with the Change Control Procedure or other agreed method pursuant to the Agreement; and

(k) Relief Event due to unexpected volumes that exceed the anticipated daily volume by 20% or more as measured by the previous calendar quarter's average volume.

4.3. The Contractor shall carry the burden of proof.

5 Service Credits

5.1. In contracting for the Services, the primary UNHCR objective is to receive a high standard of service, not Service Credits. However, the Contractor acknowledges that its failure to meet a Service Level may have a material adverse impact on the operations of UNHCR and will be remedied in accordance with the Agreement.

5.2. Where a sum is expressed to be payable as a Service Credit, the Parties agree that:

(a) Such sums are a price adjustment to reflect the actual quality of service provided to UNHCR and do not represent an estimate of the loss or damage that may be suffered by UNHCR in respect of the breach of the Service Levels which gives rise to the Service Credit; and

(b) the crediting of such sums is without prejudice to any entitlement UNHCR may have to damages relating to any such failure to achieve the Service Levels, and the Service Credits paid shall be deducted on any such claim of damages for the respective breach of the Service Levels.

5.3. Therefore, the Contractor shall pay Service Credits to UNHCR in the event of a Service Failure for Critical Performance Indicators, in accordance with in Schedule 10 Appendix A (Service Level Tables).

5.4. Calculation: For each Service Level Failure, the Contractor shall pay to UNHCR, a Service Credit that will be computed in accordance with the following formula:

Service Credit = A x B x C x D

Where:

A = The At Risk Fees

B = The At Risk Amount Percentage

C = The At Risk Pool Percentage

D = The Service Credit Allocation Percentage for the CPI for which the Service Level Failure occurred

Example:

The Contractor fails to meet a certain CPI relating to service tower [__]. The Contractor monthly invoice amount for the month in which the Service Level Failure occurred is $100,000, the At Risk Fees Percentage is 15% of the monthly invoice, the services performance category At Risk Pool Percentage allocation is 75%, and the Service Credit Allocation Percentage for the CPI is 20%. The Service Credit due to UNHCR for such Service Level Default would be computed as follows:

A = $100,000 (The At Risk Fees)

Multiplied by

B = 15% (The At Risk Amount Percentage)

Multiplied by

C = 75% (The At Risk Pool Percentage for applicable service tower performance category)

D = 20% (The Service Credit Allocation Percentage for the CPI)

= $2,250 (the amount of the Service Credit)

5.5. An individual CPI Service Credit Allocation Percentage shall not be less than five (5) percent or exceed twenty (25) percent.

5.6. The sum of the At Risk Pool Percentage allocations for every Service Performance Category may equal but not exceed the At Risk Pool Percentage available for allocation.

5.7. Multiple Service Credits: If multiple Service Credits are payable in a SLA Report Month, each of the Service Credits shall be accrued to UNHCR.

5.8. Cap: Overall Service Credits payable in a month by Contractor shall be capped at the At Risk Amount Percentage of the monthly invoice.

5.9. Notice of Service Credits: In the event that UNHCR becomes entitled to a Service Credit, the Contractor shall notify UNHCR of the applicable Service Credit, the triggering performance metrics and the calculation of the Service Credit, which notice shall be contained in the next SLA Report.

5.10. Low Volumes. For Service Levels that do not require perfect performance by the Contractor (i.e., not 100%) and for which the volume of the applicable tasks, metrics, events or Incidents that are measured (pursuant to the definition of the Service Level) to determine whether the Service Level has been met by Contractor is such that the Contractor would be precluded from meeting such Service Level due to one (1) single failure by the Contractor to meet, achieve, or perform the task, the Service Level shall be adjusted to equal the quotient (expressed as a percentage) determined by dividing (i) the total number of measured tasks associated with such Service Level in such Measurement Interval minus one (1), by (ii) the total number of measured tasks associated with such Service Level in such Measurement Interval.

Example:

If the Service Level is 95%, there would need to be at least 20 measured tasks to allow the Contractor to meet the Service Level in a Measurement Interval in which it has one (1) failure to meet, achieve or perform the tasks measured as part of such Service Level (e.g., 1 miss in 20 = 95% success rate).

Thus, if the Service Level is 95%, and if the total number of measured tasks for such Service Level in a Measurement Interval is 18, then the Service Level in such Measurement Interval shall be 94.44% (the quotient, expressed as a percentage, determined by dividing (x) 17 (i.e., 18 minus 1) by (y) 18).

6 Repeated Service Failures

6.1. If Service Levels are not achieved, or if the Contractor otherwise consistently fails to perform its obligations under the Agreement, then without prejudice to UNHCR's rights and remedies under the Agreement, the Contractor will:

(a) Investigate, assemble, and preserve pertinent information with respect to the cause(s) of the Problem(s), including performing root cause analysis of the Problem(s);

(b) advise UNHCR, as and to the extent reasonably requested by UNHCR, of the status of remedial efforts being undertaken with respect to such Problem(s);

(c) minimise the impact of and correct the Problem(s) and thereafter recommence performance in accordance with the Service Levels as soon as possible;

(d) take appropriate preventative measures so that the Problem(s) does not reoccur; and

(e) permit UNHCR and/or its nominated representative to remedy the failure, if the Contractor has not done so within a reasonable time, in which case the Contractor will reimburse UNHCR in respect of any costs and expenses incurred by UNHCR in doing so.

7 Earn-backs

7.1. The Contractor shall have Earn-back opportunities with respect to Service Credits as follows:

(a) For any Critical Service Level where there has been a Service Level Failure, the Contractor will Earn-back the most recently incurred Service Credit if the average Service Level performance exceeds the Service Level Objective for the six (6) consecutive months immediately following such Service Level Failure;

(b) for each Service Credit that is qualified for Earn-back, the Contractor will add the Earn-back charge to the monthly invoice submitted for the month immediately after the Earn-back is achieved;

(c) if UNHCR deletes a CPI, in accordance with the Change Control, before six (6) months after the most recent Service Level Failure, then Contractor shall have achieved Earn-back for that CPI if the average monthly Service Level performance for the month(s) in affect prior to the deletion of the CPI meets or exceeds the Service Level Objective for that CPI; and

(d) if the Earn-back is achieved in the final month of the Agreement or relevant SOW(s), then the Earn-back charges shall be submitted on an invoice in the month immediately following such termination of the Agreement.

8 Continuous Improvement and Review

8.1. The Parties agree to a procedure for continuous improvement with respect to the Service Levels.

8.2. At either Party's request, the Contractor and UNHCR will review the Service Levels and review proposed adjustments as appropriate and pursuant to the Agreement. The Parties will also review considerations relating to the Service Levels raised by either Party. As part of this review process, the Parties may jointly determine and agree on the adjustment, addition and/or removal of Service Levels.

9 Customer Satisfaction

9.1. In addition to the measurement of the Service Levels, UNHCR may issue at its own discretion, a customer satisfaction survey to the Users of the Services, and other persons involved in the receipt of the Services. The customer satisfaction survey shall examine UNHCR's overall impression of the quality of the Services and Contractor's efforts to meet the Service Levels. The content and issues measured under the customer satisfaction survey shall be at UNHCR's sole discretion and communicated to the Contractor. The survey shall include matters such as whether the Contractor has demonstrated a proactive and constructive approach. The Contractor shall provide all assistance as is reasonably required by UNHCR in connection with the customer satisfaction survey.

9.2. In cases where the customer satisfaction level, measured in accordance with Schedule 10 Appendix A (Service Level Tables), decreases with 0.5 point compared to the previous Measurement Interval, or if the customer satisfaction level is below 3.5 points, the issue will be escalated to the highest level of Contract Governance Structure set out in Schedule 14 (Contract Governance).

9.3. In such cases, a root cause analysis will be conducted, and a service improvement plan will be proposed. The plan will be discussed and agreed by the Parties for implementation.

9.4. After implementation of the action plan, a new survey will be performed. If the result shows no improvement, it will be discussed by the Parties and a Service Credit shall be negotiated by the Parties in good faith, in addition to any Service Credit payable pursuant to this Schedule 10 (Service Level Requirements)